

RTO WEST

SCHEDULING COORDINATOR AGREEMENT

ATTACHMENT J1

[Disclaimer: This document has not received final approval from any filing utility. All provisions are subject to change.]

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RTO WEST SCHEDULING COORDINATOR AGREEMENT

This Scheduling Coordinator Agreement¹ (this “Agreement”) is made this ____ day of _____, ____ and is by and between RTO West, a Washington nonprofit corporation, and _____, “Scheduling Coordinator”. RTO West and Scheduling Coordinator are each referred to herein as a “Party” and are collectively referred to as the “Parties.”

RECITALS

WHEREAS, Scheduling Coordinator has applied for certification by RTO West under the certification procedure referred to in Attachment J2, Scheduling Coordinator Application and Certification Protocol;

WHEREAS, Scheduling Coordinator wishes to schedule Transmission Services and Ancillary Services on the RTO West Controlled Transmission Facilities and any other transmission facilities over which RTO West is authorized to schedule service under the terms and conditions set forth in the RTO West Tariff;

WHEREAS, the RTO West Tariff provides that any Transmission Services and Ancillary Services to be supplied by RTO West may be scheduled only through a scheduling coordinator; and

WHEREAS, the Parties are entering into this Agreement in order to establish the terms and conditions on which RTO West and Scheduling Coordinator will discharge their respective duties and responsibilities under the RTO West Tariff.

¹ The drafters anticipate that a pro forma version of this Agreement will be attached to the RTO West Tariff. Therefore, most definitions are not included in this draft.

NOW, THEREFORE, in consideration of the mutual benefits to the Parties and the benefits set forth in the recitals above, the Parties agree as follows:

1. Scheduling Coordinator Covenants.

1.1 Scheduling Coordinator Covenants.

Scheduling Coordinator acknowledges and agrees:

1.1.1 The RTO West Tariff and Protocols govern all aspects of scheduling of Transmission Services and Ancillary Services on the RTO West Controlled Transmission Facilities, including, without limitation, the financial and technical criteria for scheduling coordinators;

1.1.2 Scheduling Coordinator will abide by and perform all of the applicable obligations of a scheduling coordinator under the RTO West Tariff, and its status as a scheduling coordinator shall be governed thereby;

1.1.3 Scheduling Coordinator shall be responsible to RTO West for all scheduling coordinator payment obligations under the RTO West Tariff;

1.1.4 Scheduling Coordinator shall be liable for any penalties or sanctions assessed pursuant to the RTO West Tariff in regard to transactions for which it is acting as a scheduling coordinator;

1.1.5 If Scheduling Coordinator delegates some or all of its duties under this Agreement, it will do so only in accordance with Section 10.2 of this Agreement;

1.1.6 Scheduling Coordinator shall comply with all of the certification and application procedures set forth in Attachment J2 to this Agreement, including, without limitation, the obligation to provide RTO West with current information about Scheduling Coordinator; and

1.1.7 Scheduling Coordinator will comply with any procedures established by RTO West for Scheduling Coordinators' participation in the Interconnected Operations Services market.

2. RTO West Covenants.

2.1 RTO West Covenants.

RTO West acknowledges and agrees:

2.1.1 RTO West shall comply with the RTO West Tariff; and

2.1.2 RTO West shall make payments to Scheduling Coordinator as required under the RTO West Tariff.

3. Effective Date.

This Agreement shall become effective on the last to occur of (1) its execution by both Parties, (2) the date at which RTO West begins accepting schedules or bids from Scheduling Coordinators or (3) the date Scheduling Coordinator is certified by RTO West as a scheduling coordinator. This Agreement shall remain in full force and effect until terminated pursuant to Section 4.

4. Default, Suspension and Termination.

4.1 By RTO West.

4.2 By Scheduling Coordinator.

Note: Suspension and termination provisions are under negotiation.

5. Settlement Account.

Scheduling Coordinator shall maintain an account or accounts with a bank or other institution capable of electronic funds transfer to which credits or debits shall be made in accordance with the billing and settlement provisions of (add tariff reference). Such account shall be the account referred to

in Attachment J2 or as such account may be changed from time to time by Scheduling Coordinator by giving RTO West at least seven (7) days' notice before the new account can be used.

6. Electronic Contracting.

All submitted applications, schedules, bids, confirmations, changes to information on file with RTO West and other communications conducted via electronic transfer (e.g., direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by RTO West) shall have or create the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the RTO West Tariff as if executed in written format. The same record-keeping provisions shall apply to electronic information as to written information.

7. Dispute Resolution.

Disputes under this Agreement shall be subject to the dispute resolution procedure set forth in the RTO West Tariff.

8. Representations and Certification.

Each Party represents and certifies that its execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate and/or governmental entities to the extent required by law and by the regulations or organizational documents of the Party.

9. RTO West Tariff.

The RTO West Tariff, as it may be amended from time to time, is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions set forth in the RTO West Tariff, the terms and conditions of the RTO West Tariff shall prevail.

10. Miscellaneous.

10.1 Assignments.

Scheduling Coordinator shall not assign or otherwise transfer any or all of its rights under this Agreement with the following exception: Scheduling Coordinator may assign or transfer its rights under this Agreement for collateral security purposes to aid in providing financing for itself with the prior written consent of RTO West, subject to RTO West's right to collect directly from the assignee any sums due to RTO West from Scheduling Coordinator.

10.2 Delegation.

10.2.1 If Scheduling Coordinator does not wish to carry out some or all of its required duties, including, without limitation, prescheduling, 24-hour/7-day real-time operations, or settlements activities, it may contractually delegate some or all of those duties to a qualified Scheduling Agent² only upon the conditions set forth in this Section 10.2 and in accordance with procedures for delegation as developed by RTO West.

10.2.2 The contract between Scheduling Coordinator and the Scheduling Agent shall state that the Scheduling Agent must satisfy all of the operational requirements for the activities it undertakes to perform for Scheduling Coordinator. Such contract shall also state that the Scheduling Agent shall comply with all of the provisions of the RTO West Tariff, including, without limitation, the Scheduling Coordinator Application and Certification Protocol. The contract between Scheduling Coordinator and the Scheduling Agent shall state that if the Scheduling Agent fails to perform any of its

² "Scheduling Agent" shall mean an entity to which Scheduling Coordinator has delegated some or all of the duties and responsibilities of Scheduling Coordinator. Notwithstanding the delegation of duties to the Scheduling Agent, Scheduling Coordinator shall be the entity responsible to RTO West for

duties, including financial obligations, under such contract, Scheduling Coordinator shall resume those duties, including financial obligations, without interruption.

10.2.3 RTO West must approve all contracts between Scheduling Coordinator and the Scheduling Agent before they are executed. An express condition of all such contracts shall be RTO West's right, in the case of Scheduling Coordinator's default, to collect any sums due RTO West from Scheduling Coordinator directly from the Scheduling Agent.

10.2.4 Scheduling Coordinator shall remain responsible for satisfying all requirements set forth in this Agreement, including, without limitation, creditworthiness requirements.

10.3 Notices.

Within ten (10) days from execution of this Agreement, each Party shall supply the other with the information contained in Schedule 1 to this Agreement. Any notice, demand, or request in accordance with this Agreement, unless otherwise provided in this Agreement, shall be in writing and shall be deemed properly served, given, or made (1) upon delivery if delivered in person; (2) upon receipt if sent by certified mail, return receipt requested; (3) upon receipt of confirmation by return e-mail or facsimile if sent by e-mail or facsimile; or (4) upon delivery if delivered by prepaid commercial or mail courier service. Any Party may at any time, by notice to the other Party, change the designation or address of the person specified to receive notice on its behalf in accordance with Schedule 1 of this Agreement. Any notice of a routine character in connection with service under this Agreement shall be given in such a manner as the Parties may determine from time to time, unless otherwise provided in this Agreement.

performance under this Agreement.

10.4 RTO West's Confidentiality Obligations.

10.4.1 RTO West shall maintain the confidentiality of all Confidential Information of Scheduling Coordinator provided to RTO West pursuant to this Agreement; provided, however, notwithstanding the foregoing, RTO West may disclose such Confidential Information if (1) such disclosure is permitted in writing by Scheduling Coordinator that furnished the Confidential Information or (2) RTO West is required to make such disclosure by order of a court or regulatory agency of competent jurisdiction or by applicable laws or regulations.

10.4.2 If RTO West is required by applicable laws or regulations or compelled by order of a court or regulatory agency of competent jurisdiction to disclose Confidential Information of Scheduling Coordinator, as soon as RTO West learns of the disclosure requirement, and before making such disclosure, RTO West shall notify Scheduling Coordinator of the requirement and the terms thereof. Scheduling Coordinator may, in its sole discretion and at its sole cost and expense, undertake any challenge to or defense against such disclosure requirement. RTO West shall cooperate with Scheduling Coordinator to the maximum extent practicable, at Scheduling Coordinator's sole cost and expense, to minimize or eliminate the disclosure of Confidential Information. This section does not apply to disclosure of information to the RTO West Market Monitoring Unit.

10.5 Waivers.

Any waiver by either Party of its rights regarding any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Agreement. Any waiver must be delivered in writing and executed by an authorized representative of the Party

granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

10.6 No Third-Party Beneficiaries.

This Agreement shall not be construed to create rights in, or to grant remedies to, any third person as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established hereunder.

10.7 Relationship of the Parties.

Nothing contained in this Agreement shall be construed to create an association, joint venture, trust, partnership, leasehold, or other property interest or to impose a trust or partnership covenant, obligation, or liability on, or with regard to, either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement. No Party shall be under the control of or shall be deemed to control the other Party. No Party shall be the agent of or have the right or power to bind any other Party without its written consent, except as expressly provided for in this Agreement.

10.8 Partial Invalidity.

If any of the provisions, or portions or applications thereof, of this Agreement are finally held to be unenforceable or invalid by any court of competent jurisdiction, that determination shall not affect the enforceability or validity of the remaining portions of this Agreement, and this Agreement shall continue in full force and effect as if it had been executed without the invalid provision; provided, however, if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason thereof, the Parties shall promptly enter into negotiations to replace the unenforceable or invalid

provision with a valid and enforceable provision. If the Parties are not able to reach an agreement as the result of such negotiations within fourteen (14) days, either Party shall have the right to terminate this Agreement on three (3) days' written notice. If Scheduling Coordinator requests such negotiation, RTO West will post notification on its RTO West Web Site in the same location that it lists all certified scheduling coordinators.

10.9 Preservation of Rights and Obligations.

In addition to the express remedies provided in this Agreement, the Parties reserve any other rights they may have under applicable law. Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied. Nothing in this Agreement shall be construed as waiving the rights of Scheduling Coordinator to oppose or protest the general establishment of any penalty or sanction proposed by RTO West to FERC (or other applicable entity) or RTO West's imposition of any penalty or sanction on Scheduling Coordinator.

10.10 Governing Law and Forum.

This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the state of Washington, except to the extent that such laws may be preempted by the laws of the United States, as applicable; provided, however, that notwithstanding the foregoing, if Scheduling Coordinator is a U.S. government entity (including, but not limited to, a federal power marketing administration), this Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the United States.

10.11 Construction of Agreement.

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

10.12 Amendment.

This Agreement and the Attachments hereto may be amended from time to time by the written agreement of the Parties. Amendments that are subject to FERC approval shall not take effect until FERC has accepted such amendments for filing and has made them effective.

10.13 Entire Agreement.

Any Attachments to this Agreement are incorporated into this Agreement by reference. This Agreement represents the Parties' final and mutual understanding with respect to its subject matter. It replaces and supersedes any prior agreements or understandings, whether written or oral. No representations, inducements, promises, or agreements, oral or otherwise, have been relied upon or made by any Party, or anyone on behalf of a Party, that are not fully expressed in this Agreement. An agreement, statement, or promise not contained in this Agreement is not valid or binding.

10.14 Conditions Precedent for Cooperative Scheduling Coordinators.

This Agreement shall become effective as to any cooperative scheduling coordinator that has loans financed by the Rural Utilities Service ("RUS") only upon approval thereof by the RUS. Should the RUS not approve this Agreement or any action set forth herein for which such approval is required, or should the RUS require material changes or modifications thereto that are unacceptable to either

RTO West or the cooperative scheduling coordinator (in each case, an “unacceptable event”), this Agreement (or such actions set forth herein) shall be deemed to be void *ab initio* with respect to such cooperative scheduling coordinator. In the event of any unacceptable event, the Parties shall negotiate in good faith to modify, within ninety (90) days of receipt of written notice of an unacceptable event, and obtain approval of this Agreement and any amendment to which the unacceptable event pertains.

11. Rules of Interpretation and Limitations on Obligations.

11.1 Rules of Interpretation.

The following rules of interpretation and conventions shall apply to this Agreement:

11.1.1 If there is any inconsistency between this Agreement and the RTO West Tariff, the RTO West Tariff will prevail to the extent of the inconsistency;

11.1.2 Capitalized terms used in this Agreement and not otherwise defined herein shall have the same meaning set forth in Attachment _ to the RTO West Tariff.

11.1.3 All references to the RTO West Tariff herein shall include the RTO West Tariff, and its Protocols, Business Practices and Operating Procedures, as amended from time to time, together with any Appendices or attachments thereto.

11.1.4 The singular shall include the plural and vice versa;

11.1.5 “Includes” or “including” shall mean “including, without limitation”;

11.1.6 References to an Attachment or Schedule shall mean an Attachment or Schedule of this Agreement, as the case may be, unless the context otherwise requires;

11.1.7 Any reference to the RTO West Tariff shall be to the most current effective version thereof;

11.1.8 Unless the context otherwise requires, any reference to a “person” includes any partnership; firm; company; corporation; joint venture; trust; association; organization; cooperative; federal, state, provincial or municipal agency; Tribe or other entity;

11.1.9 Any reference to a day is to a Calendar Day unless otherwise stated;

11.1.10 The captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement; and

11.1.11 Any reference herein to a particular Appendix of the RTO West Tariff, or section thereof, is intended to facilitate reference for the Parties, but is not necessarily intended to indicate that the cited Appendix, or section thereof, is the only applicable portion of the RTO West Tariff.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their
respective authorized officials.

RTO West:

By: _____

Title: _____

Date: _____

Scheduling Coordinator:

By: _____

Title: _____

Date: _____

SCHEDULE 1

Notices

Scheduling Coordinator

Name of Primary
Representative: _____

Address: _____

City/State/Zip Code: _____

E-mail Address: _____

Phone: _____

Fax No.: _____

Name of Alternate
Representative: _____

Address: _____

City/State/Zip Code: _____

E-mail Address: _____

Phone: _____

Fax No.: _____

Settlement Account No: _____

Title: _____

Sort Code: _____

Bank: _____

RTO West

Name of Primary

Representative: _____

Address: _____

City/State/Zip Code: _____

E-mail Address: _____

Phone: _____

Fax No.: _____

Name of Alternate

Representative: _____

Address: _____

City/State/Zip Code: _____

E-mail Address: _____

Phone: _____

Fax No.: _____